

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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Summary

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A. Political-Economic**1. Moscow's Attitude toward a Summit Conference**

Although the general assembly of the Central Committee of the Soviet CP, in late March 1958, agreed on a probably negative outcome of a summit conference, the majority approved of Khrushchev's concept that a summit conference should nevertheless be held and that the West should alone be blamed for the expected failure. Moreover, the majority held the opinion that this failure was necessary to justify further armament measures toward the Soviet population who had been influenced by the forced peace propaganda

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Comment.

this clearly indicates Moscow's tendency to insist on a summit conference and make propagandistic use of this intention, and, at the same time, prevent a successful outcome.

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The Kremlin obviously believes that, propagandistically, time is at present working in its favor.

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3. Long-Term Innerpolitical Aims of the GDR

- a. The purge of party cadres is scheduled to be completed prior to the 5th SED party rally planned for July 1958. The present number of party members is to be reduced by 75 percent by 1960, subsequently to be increased to about 40 percent of the present number by new admissions from the ranks of the production workers, and finally again to be reduced by about 50 percent in order to reach the status believed necessary.
- b. The National Front is to be reorganized into a true SED organization, prior to 1960, while the liquidation of the so-called "bourgeois parties" is scheduled to be completed by 1965 at the latest.
- c. The collectivization of privately-owned agricultural enterprises, and the socialization of all crafts, private production plants and trade enterprises is to be completed by 1965 .

It remains to be seen if these plans, details of which still need confirmation, can be realized within the scheduled periods.

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Comment. These plans clearly indicate that the known intention of the SED leadership to reorganize the party into a true cadre party is now to be carried into effect. The National Front and the so-called bourgeois parties have so far served as democratic make-up. This,

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, shows the tendency to abandon carefully kept-up camouflage measures for the sake of an increased stability of the system.

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Ulbricht's present innerpolitical line agrees with the aims pronounced for the period until 1965; it is possible that, within the framework of this program, agricultural collectivization will be stepped up still further.

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5. Results of the Reorganization of the Economic Administration in the USSR

- a. The administrative reorganization so far did not result in any discernible set-backs in the economic development. After a temporary slowing-down in 1957, development speed could even be stepped up in early 1958. However, on the basis of previous experiences, it is doubted that this rate of development can be maintained throughout the year.
- b. Development is being continued in accordance with the USSR Gosplan. No effects of local initiative on the structural built-up of production has so far been observed. Local autarchy tendencies could be largely neutralized by precautionary measures by central agencies.
- c. Delivery and supply difficulties during the second half of 1957 and the first months of 1958, particularly with regard to processing industries, affected the production only in a few plants. This relatively favorable development is largely due to the fact that the supply and delivery

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agencies which, according to the USSR Gosplan, were to be decentralized by 31 December 1957, factually have not yet been decentralized. Thus, the dangers connected with arising local egoism, which would endanger the economic process particularly in the field of supply and delivery, could so far be avoided.

6. East-Bloc Credits

- a. The USSR tried to check the considerable economic difficulties in the area of the European satellite countries in 1956 and 1957 by granting funds in the form of credits and remission of debts. In 1956, credits promised to European satellite countries totaled some 550 million \$, while in 1957, it amounted to some 670 million \$. Almost four fifth of this sum went to the GDR, Poland and Hungary. Credits granted to European satellite countries in 1957 and 1958 are estimated at 300 and 400 million \$, respectively. Together with the remission of debts, these figures may be doubled.
- b. Soviet credits for European satellite countries do, however, not suffice to overcome economic disproportions in the countries concerned.
- c. Soviet methods to improve export relations with development countries are based on the purchase of products of monocultural countries and, on the other hand, on the establishment of influence on the interior economy of the development countries. This is achieved particularly by credits. In 1956, the USSR agreed on credits totaling some 600 to 700 million \$ and, in 1957, some 400 to 500 million \$. This adds up to a total of 1 to 1.2 billion \$.

1957 Credits can be expected to amount to 150 million \$ and credits until 1960 to some 180 million \$ per year. With credits granted to Yugoslavia, this sum will increase to 200 to 220 million \$.

- d. Of the total of 2.5 billion \$ of Soviet credits granted to foreign countries in 1956 and 1957, about 50 percent each went to countries belonging to the East Bloc. Credits granted in 1957 amounted to 500 to 600 million \$ and credits to be granted in 1958 are estimated at 600 to 700 million \$. In addition, European satellite countries will be granted an annual remission of debts amounting to 400 million \$. This brings up Soviet expenditures for foreign countries to 900 million to 1 billion \$ in 1957 and 1 to 1.1 billion \$ in 1958.
- e. Credits and remission of debts granted by the USSR in 1956 and 1957 totaled 4.5 billion \$, a sum which equals annual expenditures of 0.9 to 1 billion \$ in 1957 and 1 to 1.1 billion \$ in 1958. These figures correspond to about 2 percent of investments for the Soviet economy, or 20 to 25 percent of the export turnover or, excluding armament credits and remission of debts, 10 percent of the export turnover, i.e. expenditures for foreign countries are relatively high as compared to previous Soviet procedures.

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g. Following the Soviet development since 1928, Moscow's development plan for East Bloc [] countries provides for a forced industrialization, with special importance attached to the heavy industry.

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h. Soviet deliveries [] have so far included only a small percentage of industrial equipment. It remains to be seen if, in the future, Soviet or Eastern Bloc deliveries will actually correspond to the Soviet pattern of a forced industrialization of []

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See also supplements.

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B. Armed Forces

I. GDR

Reservist Training

During the last weeks, a great number of university and special college students have enlisted for military training during the course of their studies. The first volunteers will be inducted and sworn-in during the impending vacation months, presumably already in May, for 4 to 6-week terms of service with the ground forces. Two to three such training courses, along with weekly theoretical instruction in schools, and a final exam are to replace 2-year terms of service with the troops. Capable students may become reserve officers [redacted]

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Comment. [redacted] although students are not directly forced to participate in this reduced military training program, a denial would heavily endanger or at least affect completion of their studies. On the other hand, credits received in the "new subject" will most certainly favorably affect final school grades. The well-known method of the regime to create "volunteers" by means of coercion thus practically compasses the same results as a law would have done; [redacted]

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II. Hungary

Total Strength

The withdrawal of Soviet troops from Hungary was reported from Nyiregyhaza on 28 February, Szombathely on 16 March and Papa on 18 March (Soviet press).

Comment. No final conclusions can as yet be drawn on the reduction of Soviet troop units in Hungary. [redacted]

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B.

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C. Army

I. USSR (GDR)1. Order of Battle

In early Apr 1958, 4 SU-57/2s observed with 9th Tank Div at AA gun emplacements of Camp Zeithain [] and 12 SU-57/2s with 11th Gds Tank Div after unloading at Heeres-Nachrichten Schule [] Koenigsbrueck, []

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[] Comment. The equipment with SU-57/2s is being continued. Employment of these weapons at permanent AA gun emplacements was observed [] The joint shipment of SU-57/2s and towed AA guns is noteworthy, since it indicates that not only tank regiments but also AA regiments of tank and mechanized divisions are to be equipped with self-propelled AA guns.)

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2. Movement of Troopsa. Withdrawal of Soviet Troops to the USSR

aa. On 2 Apr, Army Gen Sakharov stated that the withdrawal of troops would be completed by 10 Apr and that the last shpmts were to depart from Schwerin. Up to this date, 32,800 men would have been withdrawn to the USSR []

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bb. From 10 to 14 Apr, a total of 9 shpmts went from Schwerin to Brest-Litovsk []

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cc. From 27 Feb to 15 Apr 1958, a total of appr 160 shpmts went from the GDR to the USSR in connection with the withdrawal of Soviet troops []

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[] Comment. The 4th Gds AT Brig/GSFG observed leaving Schwerin was the last complete unit leaving the GDR within the course of the announced withdrawal of forces. []

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[] the following units have been withdrawn from the GDR:

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7th Gds Mecz Div (except for 24th Gds Mecz Regt);

9th Mecz Div (except for 69th Mecz Regt);

3rd Gds AT Brig/GSFG;

4th Gds AT Brig/GSFG;

62nd AAA Div/Third Gds Mecz Army []

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5 independent AAA units (airfield protection).

Since these units exchanged soldiers, arms and equipment with

units remaining in the GDR, it can be assumed that part of the

modern equipment of withdrawn forces remained in the area of GSFG.

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b. Movements within the GDR

[] indications as to transfer of Arty Regt from Neustrelitz to u/i destination. New RL unit observed at post []

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[] Comment. Presum change of post within area of 9th Gds Tank Div.)

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3. Training

Also during the second week of April, only little training of mechanized and tank divisions was observed outside posts. In addition to small-scale exercises of individual units near posts, intensive traffic of driving school was observed.

[redacted] Loadings observed with the two arty divisions [redacted]

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[redacted] indicate the beginning of such a transfer. The return of elms 63rd AAA Div from Wustrow, elms 13th AAA Div from Justerbog and elms AAA Regt/10th Gds Tank Div, possibly from Altenradow, was observed. Training activities of engineers were also considerably reduced. Only one engr unit from Dessau-Kochstedt, possibly the 35th Engr Regt/Third Gds Mees Army, which had arrived at the installation there on 29 Mar, practiced at a new engr training site east of Toerten/Mulde. The reduced training activities during the period between the winter exercises and the imminent spring inspections and subsequently the beginning of summer training is normal.

II. GDR

Training

[redacted] training was held at post area as well as firing ranges and training grounds. No large-scale exercises were observed. Groups of soldiers were alternately granted leave for the holidays.

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D. Air Force

I. GDR

Location of Troops

The NVA/L training units were comprised in the "Training Division of the Air Force" with the Div Hq in Husaren Kaserne, Bautzen, and with the following three wings:

1st Tng Wing at Kamens, equipped with Yak-18s;

2nd Tng Wing at Dessau, equipped with Il-14s and helicopters at Brandenburg-Briest, equipped with AN-2s;

3rd Tng Wing at Bautzen-Litten, equipped with MiG-15s;

Colonel Lewesa-Litzmann [redacted] was the division commander [redacted]

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II. Poland

Location of Troops

An air signal school for NCOs, the only one of its kind in the Polish Air Force, was billeted in the barracks installation 2 km northeast of Srem (5205 N - 1701 E), just south of the Srem-Sroda Wielkoposka (5214 N - 1717 E) road. The course had 1,200 participants, organized in 2 battalions with 4 companies of 150 men each. Major Szychlinski was commander of the school, and Captain Poniatowski was chief of staff. The students received training in morseing and direction finding in the auditorium, as well as with portable radio set, and radio trucks. The school was equipped with about 30 trucks and 12 sedans. The students were also trained how to protect themselves against gas and atomic bombs. Special clothing was available. [redacted]

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[redacted] Comment. [redacted] an unusually large number of air force recruits were enlisted in Srem. [redacted]

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III. Hungary

Location of Troops

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The two regiments transferred to Budapest in early 1957. Each regiment was subdivided into batteries, nine of which were always stationed at secondary posts, while the tenth

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was in the regimental barracks installation, fully equipped as combat-ready mobilization reserve. Each battery was equipped with 8 x 85-mm AA guns, each regiment had an additional 66 x 85-mm guns in reserve. The division headquarters and the regiments were equipped with 1 radar set each, each battery was equipped with 1 data computer. Colonel Koernyei was commander both of AAA Div [] and the AAA staff near Ollep. The 3rd battery of AAA Regiment [] (home defense) was subordinated as follows:

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Operation section: 4 officers, 3 NCOs, 12 EM;
instrument section: 1 officer, 2 NCOs, 13 EM;
2 fire sections: 2 officers, 8 NCOs, 48 EM;

furthermore 1 EM in the kitchen, 1 clerk, 1 medical orderly, 1 truck driver; thus, there was a total of 7 officers, 13 NCOs and 77 EM. In case of mobilization, the following personnel will be added:

A 12-man radio and telephone detail, an unknown number of soldiers for a reflector detail, 1 transport detail including ammunition transport and ambulance service, 1 light AAA detail equipped with 4 light machine guns, and 30 to 40 men of a fatigue detail. Mobilization strength: about 140 men. The radar section for AAA Regiment [] (home defense) consisted of 7 officers and about 20 men. Two AAA regiments were annually trained at the AAA firing range at Nagyoroszi (4800 N - 1905 E).

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[] heavy 105-mm AA regiments were available including Unit [] at Kisoroszi (4748 N - 1900 E), Unit [] at Csanadapaca (4632 N - 2053 E) and Unit [] at Tass (4701 N - 1901 E). According to this tabulation, Iregszemcse (4641 N - 1811 E) was scheduled to be occupied by heavy 105-mm AA Regiment [] until October 1957. Furthermore, 6 AAA-rocket-headquarters each with 1 radar set were located in Budapest [].

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Comment. The 105-mm AA guns [] are older types.

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2. General Jence Hazay was commander-in-chief of the Hungarian Army. The following radar stations were subordinate to the air warning service assigned to Ollep (Ministry for Defense):

Large radar station of Ollep headquarters, Budapest post, Gellert-Berg Citadella;

large radar station Sopron (4741 N - 1636 E);

radar station Szombathely (4717 N - 1638 E);

radar station Zalaegerszeg (4652 N - 1647 E);

radar station Nagykanizsa (4626 N - 1700 E);

radar station Darany (4558 N - 1735 E);

large radar station Pecs (4608 N - 1826 E);

radar station Baja (4610 N - 1856 E);

radar station Szeged (4615 N - 2006 E);

radar station Mezoebereny (4649 N - 2101 E);

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radar station Nyireghaza (4759 N - 2142 E);
radar station Diosgyeer (4806 N - 2041 E);
radar station Dregelypalank (4803 N - 1903 E);
radar station Komaron (4745 N - 1806 E);
radar station Gyoor (4741 N - 1740 E);
radar station Papa (4722 N - 1730 E);
radar station Kaposvar-
Taszar (4622 N - 1755 E);
radar station Sztalinvaros (Dunapentele 4658 N - 1855 E);
radar station Keeskemet (4655 N - 1945 E).

Moreover, an estimated 150 ground observation posts were
subordinate to Ollep air warning service.

Comment. It is assumed that district centrals have
been interposed between Ollep and the radar stations.

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E. Navy

I. USSR

Destroyer of the SILNY Class in Swinemunde

[redacted] destroyer [redacted] of the SILNY Class was observed at the destroyer pier of Swinemunde Harbor [redacted].

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[redacted] Comment. Destroyer [redacted] which does not belong to the normal harbor occupation of Swinemunde, has been observed there [redacted]

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The destroyer differs from standard type of this class by the conspicuously high stack caps and the protective shields of the upper-deck guns, which are covered on top against the blast effects from the elevated guns.

II. GDR

Measures Required for the Improvement of Products of GDR Shipyards and of their Delivery Firms

1. Replacement of high-speed main diesel engines with gears by low-speed engines without gears with large sea-going freighters.
2. Conversion of loading operations from heavy electric loading winches to light, infinitely variable hydraulic winches.
3. Introduction of gas turbines and, in special cases, diesel electric drive with sea-going passenger ships.
4. Development and installation of modern fish-processing, refrigerating, and conserving installations on floating fish factories.
5. Increased utilization of control installations and remote controls as have been successfully installed on a 96-meter river passenger ship.
6. Increased production of not easily non-inflammable synthetics.
7. Adjustment of prices of delivery firms to world market prices. (Prices of the shipbuilding industry proper roughly agree with world market prices.)
8. Reduction and/or control of weights of interior installations, in order to prevent ships from exceeding scheduled weights.
9. Faultless calculation of the stability of ships so that the installation of ballast becomes unnecessary. The speed e.g. of the Seiners decreased because of the ballast, a fact which caused considerable penalties for non-fulfilment of the contract.
10. Reduction of weight of engines and dimensions which are considerably higher than in other shipbuilding countries.

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11. Improvement of engines with regard to materials used (corrosion and wear resistance), noise, heat radiation and starting conditions.
12. Faultless production of gears and thorough testing prior to their installation under conditions similar to those aboard up to full load. This will require the construction of a test stand with a capacity of up to 15,000 HP.
13. Considerable improvement of foundry products, especially screws, also with regard to alloys. The durability of cast-steel propellers of loggers e.g. can be prolonged from 9 months to 1 year by the utilization of magnesium as cathode protection. At present, the production of large propellers is expected to include at least 50 percent waste; furthermore, the working of the blanks to real size requires an unusually high amount of material and working time. The same applies to forgings which are being manufactured with considerable overmeasures.
14. Development and installation of improved electric cables; the laying of the previous MKK-type cable is very difficult because of its inflexibility; in addition, it is insufficient with regard to short-circuit currents, and the armorings become rusty within a very short time.
15. Development of improved electrical armature controls (switches, plug boxes, etc.), since the previous armatures, which are made of light metal are subject to corrosion.
16. Development of protective switches for engines, the production of which has so far been neglected in the GDR and which, at present are insufficient with regard to overcurrents and temperatures.
17. Adjusting of relays for remote-control and steering installations to be delivered by EAW Treptow to conditions aboard ship.
18. Improvement of shape of vessels according to findings of shipbuilding test plants, best economical exploitation of available capacities and, improvement of navigability and seaworthiness of ships. Increased utilization of light materials such as hydronalium, synthetics, and material-saving constructions.
19. A still closer cooperation of the shipbuilding industry with research centers, institutes, and designing offices is necessary in order to comply with the above demands.

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Comment. This report not only points out deficiencies concerning the shipbuilding industry and especially the delivery plants, but also indicates rationalization measures planned in order to make these industries competitive. There is no doubt that it will take a long time for these measures to come into effect.

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Transfer of HV Schiffbau (Main Administration Shipbuilding)

Main Administration Shipbuilding is to be transferred to Rostock but, due to considerable organizational difficulties, the measure will not be carried out before long. A commission is to find out by talks with the individual members of the staff who is still worthy to continue work with the civil service, particularly with regard to political reliability.

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F. Pre and Paramilitary Training**SECRET
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[] the 2nd DGP Brigade in Magdeburg received a flag and was sworn-in by Minister Maren []

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Comment. [] neither during the swearing-in ceremony of the 3rd Brigade [] nor during the abovementioned ceremony, the border police has been officially renamed Grenztruppe (border troops). It remains to be seen if such a redesignation, possibly after the swearing-in of all members of the border police, will actually be effected. [] in this connection [] by the redesignation of sectional administrations into brigades and of Kommandos into companies in late 1957, the designations of border police and alert police units had become uniform (headquarters, brigade, Bereitschaft, battalion, company).)

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2. Pre and Paramilitary Organizations:a. Association for Sport and Technics (GST)

Tent camps are scheduled to be held in Freese/Ruegen, Prerow/Darss, Scheibe-Alsbach, Tambach-Dietzharz and Schirgiswalde during the following periods:
10 to 21 June; 24 June to 5 July; 8 to 19 July; 22 July to 2 August; 5 to 16 August; and 19 to 30 August 1958 (press).

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b. Kampfgruppen (Combat Groups) (KG)

In conclusion of the 1957 training year, inspections were held in March 1958. Prior to the beginning of the new training period on 1 April 1958, preparatory courses for squad and platoon leaders were to be held. Training in 1958 is to concentrate on the employment of squads, platoons and Hundertschaften.

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Comment. []

An enterprise challenge of 1 March 1958 requests all KGs to participate in the following contest:

- (1) to bring all existing Hundertschaften to full strength (102 men) prior to 5th SED Party Rally;
- (2) to fulfill to annual training program in the field of tactics and firing with a complete Hundertschaft by an average of 8 training lessons per month;
- (3) To achieve 100-percent participation in training (press).

Comment. According to the motto of the SED Politburo "The securing of peace requires the mobilization of the working class and the peace-loving masses of all Germany", the 1958 tasks of KGs in the GDR are thus clearly defined.

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